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BACKGROUND

This section provides information on the amount of Federal Financial Participation (FFP) that may be claimed. FFP claiming depends on the following factors that are discussed in detail in this Section of the Policies and Procedures Manual:

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Public Health Administration claiming through FFP provides Federal funding (Title 19) to participating programs that assist individuals eligible for Medi-Cal to enroll in the Medi-Cal program and/or assist individuals on Medi-Cal to access Medi-Cal services.

Center for Medicaid and Medicare Services regulations allow matching for administrative activities at a Non-Enhanced rate (50/50) for the majority of expenses necessary for the efficient operation of the Medicaid program, and at an Enhanced rate (75/25) for certain activities performed by Skilled Professional Medical Personnel (SPMP) and their direct clerical support.

The Maternal & Child Health (MCH) Branch makes available, through allocations to local jurisdictions and grant agreements with Community Based Organizations (CBO), partial reimbursement for administrative activities and selected associated expenses. This reimbursement is for administrative activities that encourage client application to the Medi-Cal (Federal Title 19 Medicaid) program and referral of clients to Medi-Cal services.

This reimbursement:

- Is provided through matching Medicaid Title 19 funds and is called FFP.
- Applies to personnel employed directly by a FFP participating agency or subcontracted agency.

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1.0 TIME STUDIES

1.1 Policy:

To claim Medi-Cal Title 19 funds an agency must be able to document staff time spent in the program in which they are budgeted and that their time is spent performing activities that:

- Assist individuals eligible for Medi-Cal to enroll in the Medi-Cal program
- Assist individuals on Medi-Cal to access Medi-Cal services.

1.2 Requirement:

- 1.2.1 Each person listed on an MCH Program Budget must document 100% of their work time whether or not that time is related to MCH program activities. All non-MCH program time shall not be coded to MCH programs. Such time may be coded to the specific non-MCH program, or the time may be combined into a program category called "Other Programs."
- 1.2.2 Time spent doing the following activities associated with a federal function code is to be considered as time spent doing the function:
 - performance of necessary paperwork,
 - travel, and
 - supervision including the supervision of SPMP staff by SPMP supervisors.
- 1.2.3 Lunchtime is **NOT** coded because it is unpaid time.
- 1.2.4 Employee break time is coded to the activity the employee is engaged in immediately before or after the break period.
- 1.2.5 Immediate supervisor must review, approve, and sign all time study documents.
- 1.2.6 Time study documents must be kept for a minimum of three years from the date of the last payment for the fiscal year. (Refer to Administration Section 11 – Audits for additional requirements)

1.3 Procedure:

Complete daily time studies for a minimum of one month in every quarter. The month designated to be the time study month (1st, 2nd or 3rd month) must be consistently time studied throughout the year.

1.4 Special Considerations:

1.4.1 Any staff who are absent, or who were performing activities unrelated to their MCH approved duty statement, for a period exceeding ten working days are not required to time study. In that instance, the agency may use TWO, not one, previous consecutive time studies immediately preceding the time study month to invoice for the employee's costs. The following rules apply:

- If the employee's SPMP Enhanced time was consistent between the two quarters, the time may be averaged.
- If the two previous quarters showed wide variations in the employee's SPMP Enhanced time, the time study with the lower SPMP Enhanced time must be used to invoice.

1.4.2 An agency may permit an employee hired at the end of a time study month or after a time study month, to begin time studying immediately even though it is not the agency's normal time study month. This must be noted in the invoice cover letter. The employee shall time study the designated time study month for all subsequent quarters.

2.0 ACTIVITIES

2.1 Policy:

2.1.1 There are four classes of time study function codes used to claim FFP reimbursement.

- Enhanced (75/25)
- Non-Enhanced (50/50)
- Unmatched
- Apportioned

2.1.2 Each class of function codes is unique in its reimbursement formula and rate. Within the four classes, there are a total of 12 time study function codes. Each time study function code is a definable and unique set of activities performed by staff. Consequently, all activities and paid time off are identified under the function codes in the appropriate reimbursement class.

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- 2.1.3 Enhanced rate function codes are reimbursed at the rate of 75/25 for salary, benefits, training, travel, and possibly subcontract costs (see Program Budget Document Instructions Section for detailed information). The Enhanced rate covers activities under the following function codes:
- 2 - SPMP Administrative Medical Case Management
 - 3 - SPMP Intra/Interagency Coordination, Collaboration and Administration
 - 6 - SPMP Training
 - 8 - SPMP Program Planning and Policy Development
 - 9 - Quality Management by Skilled Professional Medical Personnel
- 2.1.4 Non-Enhanced rate function codes are reimbursed at the rate of 50/50 for salary, benefits, training, travel costs, and associated operating expenses. The Non-Enhanced rate covers activities under the following function codes.
- 1 - Outreach
 - 4 - Non-SPMP Intra/Interagency Collaboration and Coordination
 - 5 - Program Specific Administration
 - 7 - Non-SPMP Training
- 2.1.5 Unmatched function code is for activities and services not matched by FFP.
- 11 - Other Activities
- 2.1.6 The apportioned rate function codes are reimbursed for costs prorated based upon time recorded to all programs and all other function codes. The apportioned activities are covered by the following function codes:
- 10 - Non-Program Specific General Administration
 - Non-program specific general administration is prorated between matchable and unmatchable function codes.
 - The portion allocated as matchable may only be matched at the Non-Enhanced rate (50/50).
 - 12 - Paid Time Off
 - Paid Time Off is prorated between matchable and unmatchable function codes. Center for Medicaid and Medicare Services permits the matchable amount to be proportionately distributed between the Enhanced (75/25) and Non-Enhanced (50/50) rate.

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- 2.1.7 Overtime and/or Compensatory Time Off (CTO) being earned must be recorded to the function code appropriate for the activities being performed. CTO time **IS NOT** to be recorded when used.

3.0 MEDI-CAL FACTOR

3.1 Policy:

- 3.1.1 FFP funds are intended to reimburse agency costs for time spent doing certain administrative activities that benefit the Medi-Cal eligible population exclusively. However, MCH activities are generally performed for both Medi-Cal and non Medi-Cal populations. Therefore, it is necessary to use a factor to identify what portion of the MCH population receiving services are Medi-Cal beneficiaries.
- 3.1.2 A program's Medi-Cal factor is the percent of the primary target population served by that program that are current Medi-Cal beneficiaries.
- 3.1.3 For MCH Programs claiming FFP, there are two allowable methods for determining the Medi-Cal Factor (M/F):
- Using the MCH Branch Base M/F Table, or
 - Using a Locally determined base M/F
- 3.1.4 The MCH Branch Base M/F Table is:
- Provided to Agencies by the MCH Branch,
 - Used to identified the M/F for local jurisdictions
 - An estimate of the local jurisdiction's MCH population (women in childbearing years and children up to the age of 21) who are Medi-Cal beneficiaries,
 - Calculated by dividing the sum of each local jurisdiction's Medi-Cal fee for service and Managed Care paid deliveries by the number of live births by residents,
 - Based on paid delivery and birth data derived directly from the most recent HEALTH DATA SUMMARIES FOR CALIFORNIA COUNTIES (HDSCC) book published biennially on even years by the Department of Health Services, and
 - Updated biennially on years that new data is available from the latest HDSCC book.
- 3.1.5 A locally determined base M/F is:
- Based on population wide, publicly available data or

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- Based on direct documentation of Medi-Cal beneficiary identification numbers.

3.1.6 The Medi-Cal factor is applied to all positions funded by Title 19. The percentage of each staff person's time that is not eligible for match may be claimed with non-FFP funds such as Title V, unmatched SGF or agency funds.

3.2 Requirement:

3.2.1 Agencies using the M/F listed on the MCH Branch Base M/F table for determining their Title 19 match are NOT required to obtain MCH approval to use this M/F and no additional justification or documentation is required.

3.2.2 Agencies using a locally determined M/F must meet the following requirements:

- Written MCH Branch approval of the data and method used to determine the local M/F Must be obtained by submitting a request to the MCH branch Contract Manager for each program requesting a locally determined M/F.
- The data must be based upon population wide, publicly available or documented data.
- The same methodology and data source must be used when determining future base M/F.
- If the methodology or data source used in determining a locally determined M/F is changed, a new approval must be requested.
- All data and mathematical calculations used to determine the local base M/F must be maintained in the local audit file and available to auditors.
- The audit file must be maintained until the records retention schedule for the same audit period expires.
- If a State or Federal audit is performed in which there are findings resulting from the data or methodology used to determine a local base M/F, the local jurisdiction is solely liable for any financial recoupment and/or penalties as a consequence of the findings.

3.2.3 If an Agency chooses to use a Medi-Cal Factor higher than that calculated for your Agency, the higher factor must be justified on the Personnel Justification portion of the Budget/invoice file. This information must be submitted to the MCH Branch with the Program Budget and justification pages,

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as a part of the Allocation Funding Application (AFA) or Application for Grant Agreement (AGA), and with any subsequent change to the previously approved Medi-Cal factor.

3.3 Special Requirements:

- 3.3.1 The Black Infant Health (BIH) program reports client information to San Diego State University's Management Information System (MIS) which verifies clients' Medi-Cal status and determines an agency's BIH Medi-Cal Factor. Agencies may also verify client Medi-Cal status using the Medi-Cal Eligibility Data System (MEDS) for purposes of determining their Medi-Cal Factor.
- 3.3.2 The Adolescent Family Life Program (AFLP) and Adolescent Sibling Pregnancy Prevention Program (ASPPP) determine their Medi-Cal Factor based upon actual client counts that are verified through MEDS or the Lodestar data system.
- 3.3.3 The following criteria must be used when reporting AFLP and ASPPP client counts to Lodestar:
 - If the pregnant AFLP client is a Medi-Cal beneficiary, count one (1)
 - If both the AFLP parent and index child (child born to an AFLP client while on AFLP) are Medi-Cal beneficiaries, count one (1)
 - If the AFLP client is not a Medi-Cal beneficiary, but the index child is, count one (1)
 - If the ASPPP client is a Medi-Cal beneficiary, count one (1)

4.0 ENHANCED CLAIMING

4.1 Policy:

- 4.1.1 The level and percentage of matching depends on the following considerations:
 - The employer-employee relationship with the primary contracting agency (the Enhanced rate (75/25) is only available for SPMP staff of a governmental entity that contracts directly with the MCH Branch or a Subcontractor of a governmental agency that is also a governmental entity)
 - The health related professional qualifications of individual staff (activities claimed at the Enhanced matching rate)

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(75/25) can only be performed by SPMP or their direct support staff)

- The specific activities each staff perform (the Enhanced rate can be claimed for salaries, benefits, travel, and training of SPMP and their directly supporting clerical staff who are in an employee-employer relationship with the governmental agency and are involved in activities that are necessary for proper and efficient Medi-Cal administration)
- The proportion of the target population that are Medi-Cal beneficiaries.

4.1.2 Directly supporting clerical staff costs may be matched at the Enhanced rate (75/25) when performance of those clerical job responsibilities directly supports SPMP staff (Part 43, 42 CFR) for the Enhanced activities.

4.1.3 Support staff being matched at the Enhanced rate (75/25) must be directly supervised by a SPMP.

4.1.4 Expenditures for provision of medical services by SPMP do not qualify for reimbursement via Medi-Cal administrative claiming because medical services are already paid for in either the Medi-Cal fee-for-service or managed care systems

4.2 Requirement:

4.2.1 For reimbursement at the Enhanced rate (75/25), SPMP staff must meet all of the following conditions:

- Time spent performing those duties must require SPMP knowledge and skills
- The job specifications must require an SPMP
- Activities performed must fall within function codes; #2, #3, #6, #8 and #9
- SPMP Questionnaire must be completed and submitted to the MCH Branch.

4.2.2 For reimbursement at the Enhanced rate (75/25), clerical staff must meet all of the following conditions:

- Directly supervised by a SPMP, as shown on an organization chart,
- Be secretarial, stenographic, copy, file, or record clerks providing direct support to the SPMP, and
- Provide clerical services directly necessary for carrying out the professional medical responsibilities and function codes of SPMP. (Documentation must exist, such as a job description, which states that the services provided for the

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SPMP are directly related and necessary to the execution of the SPMP responsibilities.)

4.3 Procedures:

- 4.3.1 Update staff documentation materials when changes occur.
- 4.3.2 Maintain all claiming documentation, whether out of date or still in effect, through the document retention period. (Refer to Administration Section 11- Audits for additional requirements)
- 4.3.3 At a minimum, complete daily time studies during the designated time study month for ANY personnel with activities funded with federal Title 19 funds.
- 4.3.4 Complete a time study worksheet identifying ALL activities performed, whether the activities are performed for MCH or for other programs, for a minimum period of one month in each quarter.
- 4.3.5 Summarize daily activities and time for each employee being matched with Title 19 funds, and enter the totals into the FFP Calculation File, or an MCH approved alternate FFP calculation file, to calculate actual percentages of time. In the event an employee is absent, or not performing activities related to the SOW during the time study month, a time study worksheet encompassing a minimum of two-weeks is acceptable. (Please contact your Contract Manager for further details.)

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4.4 Special Considerations:

CBOs receiving MCH grant funds to provide AFLP/ASPPP services are non-governmental agencies and are prohibited by Federal regulations from claiming and receiving Enhanced Title 19 matching funds.

5.0 NON-ENHANCED CLAIMING

5.1 Policy:

The Non-Enhanced rate (50/50) can be claimed for any of the Agency's staff involved in activities that are necessary for proper and efficient Medi-Cal administration.

5.2 Procedure:

Refer to procedures located in Chapter 4.3 under Enhanced Funding.

6.0 DOCUMENTATION FOR CLAIMING FFP

6.1 Policy:

The following types of documentation must be part of the Agency's time study/FFP audit file:

- Organization chart(s),
- Job specification for each SPMP position,
- Position duty statement for each employee,
- Training log, agenda/brochure of training, and registration receipt,
- Correspondence related to MCH FFP policies,
- Daily logs, appointment books, or calendars and meeting agendas and minutes which support the coded activities on time studies,
- Working papers used to calculate/develop invoices,
- SPMP questionnaire for claiming status, and
- Signed time studies.

6.2 Requirement:

- 6.2.1 Staff funded with Title 19 funds are required to document, by time study, all time and activities by program. (Refer to this Section, Chapter 1.0, Time Studies, for additional requirements)
- 6.2.2 Any variance from the above must be discussed with the Agency's Program Consultant or Contract Manager.

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- 6.2.3 All FFP supportive claiming materials must be kept for a minimum of three years from the date of the last payment of the fiscal year or final resolution on any audit findings, whichever is later. (Refer to Administration Section 11 – Audits for additional requirements)

6.3 Procedure:

- 6.3.1 Identify on an organizational chart each position listed on the budget.
- 6.3.2 Maintain a file on job specifications and duty statements.
- 6.3.3 In addition to the time study forms, maintain supplemental documentation to support information recorded on the time study forms.

7.0 UNMATCHED ACTIVITIES

7.1 Policy:

- 7.1.1 Unmatched activities are those activities and/or programs that are outside of the MCH program role and responsibilities (i.e. public health clinic, tobacco programs, immunization clinics, tuberculosis programs/clinics, bioterrorism etc.) and/or do not meet the FFP objectives.
- 7.1.2 These activities are considered exceptions. All activities considered FFP exempt are coded under Function Code 11 – Other Activities.

7.2 Requirements:

- 7.2.1 Activities not eligible for FFP matched funding include the following:
- Provision of any direct clinical and/or medical services
 - Anticipatory Guidance/Activities (e.g. parenting, safety, breastfeeding)
 - Social Activities
 - Childhood Safety
 - Domestic Violence*
 - Job Development
 - School related activities
 - Housing need activities
 - Cal-Learn activities
 - Fetal Infant Mortality Review – FIMR
 - Parenting

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- Day Care
- Transportation*
- Routine Developmental Testing (i.e. Denver, NCAST etc.)
- Nutrition

* Certain types of activities under these titles can be claimed. Please discuss your specific concern with your MCH Program Consultant if you have questions regarding matchable activities.

7.2.2 Other expenses ineligible for reimbursement through FFP include: Payment of incentives, food, activities and/or visits claimed under either Targeted Case Management (TCM) or Medi-Cal Administrative Activities (MAA).

8.0 FFP CALCULATION

8.1 Policy:

8.1.1 The mathematics associated with calculating the distribution of time into Enhanced/Non-Enhanced/Unmatchable categories are complex. The MCH Branch has incorporated these calculations on an FFP calculation file, a sample of which is located in the Forms Section of the manual. Please contact your Contract Manager for the most current version of the FFP Calculation file.

8.1.2 If an agency wishes to use an alternate time calculation/distribution method, a request must be made in writing describing the alternative method along with full explanation of methodology used, and proof of outcomes consistent with the MCH Branch FFP Calculation File.

8.2 Requirement:

All agencies are required to use the MCH FFP Calculation file, or an MCH approved FFP calculation file, in order to claim FFP matching funds through Title 19.

9.0 MCH DIRECTOR/COORDINATOR MEDI-CAL FACTOR

9.1 Policy

9.1.1 Public Health Administration claiming through Federal Financial Participation (FFP) provides Federal funding (Title 19) to participating programs that assist individuals eligible for

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Medi-Cal to enroll in the Medi-Cal program and/or assist individuals on Medi-Cal to access Medi-Cal services.

- 9.1.2 Reimbursement of costs for matchable activities and related expenses is based on time spent by qualified staff performing matchable activities for or on behalf of Title 19 (Medi-Cal) beneficiaries only. The Medi-Cal Factor (M/F) is an estimate of Medi-Cal beneficiaries in an MCH target population.
- 9.1.3 The MCH program's mission is to assure that all pregnant women and their children can obtain quality maternal and child health services in the State of California. The MCH Director is responsible for overseeing local MCH staff and activities that carry out this mission, therefore, it is important that the MCH Director's M/F be representative of the target population being served.
- 9.1.4 The local jurisdiction's MCH Director/Coordinator's matchable Medi-Cal percentage (Medi-Cal Factor) may be determined by one of three different methods:
- **Using the MCH Branch Base Medi-Cal Factor Table –** The MCH Branch estimates the percent of Medi-Cal beneficiaries in the population of each local health jurisdiction based on the Medi-Cal paid delivery and birth data derived directly from the biennial Department of Health Services publication, Health Data Summaries for California Counties (HDSCC). The MCH Director/Coordinator is allowed to time study all activities to MCH program time and use the county base Medi-Cal factor for reimbursement.
 - **Using a locally determined Medi-Cal factor –** This is a locally determined Medi-Cal factor based upon population wide, publicly available or documented data, or direct documentation of Medi-Cal beneficiary's identification number.
 - **Using more than one Medi-Cal factor -** The MCH Director is responsible for overseeing local MCH staff and activities in more than one MCH program. The MCH Director is allowed to time study to each specific MCH program (such as MCH, CPSP, FIMR, Education/Outreach and Dental) and use the Medi-Cal factor for each of these

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programs for claiming purposes. Each program will be budgeted and invoiced on separate lines in the personnel sheet of the MCH budget and invoice.

9.2 Requirements

- 9.2.1 Must have written MCH Branch program consultant and contract manager approvals prior to claiming a M/F different from the one listed in the MCH Branch Base M/F Table.
- 9.2.2 Role and responsibilities for participation or oversight of local jurisdiction MCH or MCH related programs (i.e. BIH, AFLP, ASPPP, and/or Grants) must be addressed in the MCH Director/Coordinator's duty statement.
- 9.2.3 Local jurisdictions must determine the percent of time spent per program based on actual time documented for activities/programs on an MCH approved Time Study.
- 9.2.4 The MCH Director/Coordinator must include 100% of their time on the time study including time spent on programs not funded by the MCH Branch.
- 9.2.5 All data and mathematical calculations used to determine the MCH Director's M/F must be maintained in the local audit file and available to auditors.
- 9.2.6 The audit file must be maintained until the records retention schedule for the same audit period expires.
- 9.2.7 If a State or Federal audit is performed in which there are findings resulting from the data or methodology used to determine an MCH Director's M/F, the local jurisdiction is solely liable for any financial recoupment and/or penalties as a consequence of the findings.

10.0 ENHANCED FFP FUNDING REQUIREMENTS: MCH DIRECTOR/COORDINATOR

10.1 Policy:

- 10.1.1 FFP rules have specific requirements concerning qualifications for Skilled Professional Medical Personnel (SPMP) to allow Title 19 matching of SPMP staff at the enhanced rate (25:75). FFP requires that these special requirements be listed in the

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specific job specification or classification for SPMP staff claiming Title 19 matching funds.

- 10.1.2 Local jurisdictions may not be able to meet these federal requirements for some SPMP staff (most often MCH Director or Coordinator positions) when local jurisdictions place them in general management job specification/classifications. This results in the local jurisdictions only being able to match the MCH Director/Coordinator costs at a non-enhanced rate (50:50) for their time and activities.
- 10.1.3 A local jurisdiction "job/position announcement" and resume' for the selected candidate may be submitted to the MCH Branch in lieu of a local jurisdiction job specification/classification stipulating that the incumbent hired must be an SPMP.

10.2 Requirements:

- 10.2.1 The positions of MCH Director and MCH Coordinator must be filled by a qualified physician or by a public health nurse, depending upon the population size of the local jurisdiction.
- 10.2.2 In order to claim at the enhanced rate (25:75), duty statements for a SPMP must reflect roles and responsibilities appropriate for the SPMP's classification and level of expertise.
- 10.2.3 All SPMP personnel must be one of the FFP approved professional classifications. (See the Personnel Section of the Program Manual for a complete list of specific classification and qualifications)
- 10.2.4 For each SPMP classification the local health jurisdiction job specification/classification must stipulate that the incumbent hired must be a qualified SPMP.